

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:	SRC HOLDING CORPORATION	§	Case No. 02-40284
	FKA MILLER & SCHROEDER	§	
	INC.	§	
Debtor(s)		§	

**NOTICE OF TRUSTEE'S FINAL REPORT AND
APPLICATIONS FOR COMPENSATION
AND DEADLINE TO OBJECT (NFR)**

Pursuant to Fed. R. Bankr. P. 2002(a)(6) and 2002(f)(8), please take notice that BRIAN F. LEONARD, trustee of the above styled estate, has filed a Final Report and the trustee and the trustee's professionals have filed final fee applications, which are summarized in the attached Summary of Trustee's Final Report and Applications for Compensation.

The complete Final Report and all applications for compensation are available for inspection at the Office of the Clerk, at the following address:

CLERK OF BANKRUPTCY COURT
301 U. S. COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS, MN 55415

CLERK OF BANKRUPTCY COURT
200 WARREN E. BURGER
FEDERAL BLDG. & CTHOUSE
ST PAUL, MN 55101

CLERK OF BANKRUPTCY COURT
404 U S COURTHOUSE
515 WEST FIRST STREET
DULUTH, MN 55802

Any person wishing to object to any fee application that has not already been approved or to the Final Report, must file a written objection within 0 days from the mailing of this notice, together with a request for a hearing and serve a copy of both upon the trustee, any party whose application is being challenged and the United States Trustee. If no objections are filed, the Court will act on the fee applications and the trustee may pay dividends pursuant to FRBP 3009 without further order of the Court.

Date Mailed: / / _____

By: /s/ LORI VOSEJPKA
 CLERK OF COURT

BRIAN F. LEONARD
100 SOUTH FIFTH STREET
SUITE 2500
MINNEAPOLIS, MN 55402
(612) 332-1030

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re: SRC HOLDING CORPORATION	§	Case No. 02-40284
FKA MILLER & SCHROEDER INC.	§	
	§	
Debtor(s) _____	§	

**SUMMARY OF TRUSTEE'S FINAL REPORT
AND APPLICATIONS FOR COMPENSATION**

The Final Report shows receipts of	\$ <u>5,042,065.56</u>
and approved disbursements of	\$ <u>2,120,821.76</u>
leaving a balance on hand of ¹	\$ <u>2,921,243.80</u>

Claims of secured creditors will be paid as follows:

<i>Claimant</i>	N/A	<i>Proposed Payment</i>
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Applications for chapter 7 fees and administrative expenses have been filed as follows:

	<i>Reason/Applicant</i>	<i>Fees</i>	<i>Expenses</i>
<i>Trustee</i>	<u>BRIAN F. LEONARD</u>	\$ <u>121,935.50</u>	\$ _____
<i>Attorney for trustee</i>	<u>LEONARD, O'BRIEN LAW FIRM</u>	\$ <u>30,327.00</u>	\$ <u>564.37</u>
<i>Appraiser</i>	_____	\$ _____	\$ _____
<i>Auctioneer</i>	_____	\$ _____	\$ _____
<i>Accountant</i>	<u>KPMG, LLP</u>	\$ <u>19,475.00</u>	\$ _____
<i>Special Attorney for trustee</i>	_____	\$ _____	\$ _____
<i>Charges,</i>	<u>U.S. Bankruptcy Court</u>	\$ <u>300.00</u>	\$ _____
<i>Fees,</i>	<u>United States Trustee</u>	\$ _____	\$ _____
<i>Other</i>	_____	\$ _____	\$ _____

Applications for prior chapter fees and administrative expenses have been filed as follows:

<i>Reason/Applicant</i>	<i>Fees</i>	<i>Expenses</i>
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¹ The balance of funds on hand in the estate may continue to earn interest until disbursed. The interest earned prior to disbursement will be distributed pro rata to creditors within each priority category. The trustee may receive additional compensation not to exceed the maximum compensation set forth under 11 U.S.C. § 326(a) on account of the disbursement of the additional interest.

Attorney for debtor	_____	\$ _____	\$ _____
Attorney for	_____	\$ _____	\$ _____
Accountant for	_____	\$ _____	\$ _____
Appraiser for	_____	\$ _____	\$ _____
Other	_____	\$ _____	\$ _____

In addition to the expenses of administration listed above as may be allowed by the Court, priority claims totaling \$0.00 must be paid in advance of any dividend to general (unsecured) creditors.

Allowed priority claims are:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
	N/A		

The actual distribution to wage claimants included above, if any, will be the proposed payment less applicable withholding taxes (which will be remitted to the appropriate taxing authorities).

Timely claims of general (unsecured) creditors totaling \$ 41,991,167.15 have been allowed and will be paid pro rata only after all allowed administrative and priority claims have been paid in full. The timely allowed general (unsecured) dividend is anticipated to be 6.5 percent.

Timely allowed general (unsecured) claims are as follows:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
<u>1 -2</u>	<u>HERRMANN LEWIS G</u>	\$ <u>2,910,000.00</u>	\$ <u>190,481.69</u>
<u>3</u>	<u>IRON MOUNTAIN INC</u>	\$ <u>1,199.74</u>	\$ <u>78.54</u>
<u>4</u>	<u>DAVID G REINHART</u>	\$ <u>583,332.00</u>	\$ <u>38,183.53</u>
<u>5</u>	<u>BAKER LIVING TRUST</u>	\$ <u>616,876.00</u>	\$ <u>40,379.24</u>
<u>11</u>	<u>BREMER BUSINESS FINANCE CORP</u>	\$ <u>2,363,164.47</u>	\$ <u>154,687.13</u>
<u>19</u>	<u>WANDA POPE FELTON CHARITABLE REM UNI</u>	\$ <u>704,828.75</u>	\$ <u>46,136.41</u>
<u>20</u>	<u>LESTER POPE TRUST GAIL POPE</u>	\$ <u>159,692.95</u>	\$ <u>10,453.12</u>
<u>21</u>	<u>WANDA POPE FELTON</u>	\$ <u>1,325,615.53</u>	\$ <u>86,771.64</u>
<u>23</u>	<u>WILLIAM D SEXTON</u>	\$ <u>220,000.00</u>	\$ <u>14,400.68</u>
<u>RES55</u>	<u>FIELDS MARK & DINA</u>	\$ <u>38,975.00</u>	\$ <u>2,551.21</u>
<u>RES64</u>	<u>DWIGHT R J LINDQUIST CH 7 TRUSTEE</u>	\$ <u>6,505.55</u>	\$ <u>425.84</u>

INV 8	FIRST BANK OF NORTH DAKOTA	\$ 1,594,336.76	\$ 104,361.49
INV 9	UNITED COMMUNITY BANK OF NORTH DAKOTA	\$ 598,177.08	\$ 39,155.25
INV 10	SECURITY FIRST BANK OF ND	\$ 239,704.16	\$ 15,690.46
RES 2	FLESHMAN J KENNETH	\$ 229,256.00	\$ 15,006.55
RES 3	ROHNER JOHN R ET AL	\$ 168,400.00	\$ 11,023.06
RES 5	LUNDQUIST TRUST ET AL	\$ 230,000.00	\$ 15,055.25
RES 6	KNOWLTON DONALD & RACHEL	\$ 70,000.00	\$ 4,582.03
RES 7	DR TED SILVER	\$ 23,000.00	\$ 1,505.53
RES 9	SPANGLER FRANK & JEANNE TTEES	\$ 50,000.00	\$ 3,272.88
RES 10	TIMMERMAN M B & PRISCILLA	\$ 870,000.00	\$ 56,948.13
RES 11	WOODHOUSE RALPH & BETSY TR	\$ 861,005.02	\$ 56,359.34
RES 14	GOLD FAMILY TRUST	\$ 305,225.00	\$ 19,979.30
RES 15	DENNING GARY & SHEILA	\$ 95,350.00	\$ 6,241.38
RES 17	CRYSTAL GRACE RUTHERFORD BADGLEY	\$ 96,745.00	\$ 6,332.70
RES 18	GRACE ENGLISH	\$ 370,565.00	\$ 24,256.30
RES 19	ELLIS LEWELLEN	\$ 81,291.00	\$ 5,321.12
RES 20	EDGE CHLOE KERNS TRUST	\$ 447,576.00	\$ 29,297.26
RES 22	BEHNKE FAMILY TRUST	\$ 50,000.00	\$ 3,272.88
RES 23	HYDE WILL THOMAS & MARGARET MARY	\$ 60,000.00	\$ 3,927.46
RES 24	FINK FREDERICK & LILA TRUST	\$ 90,000.00	\$ 5,891.19
RES 25	LENSER BILLY & DEBORAH ET AL	\$ 31,350.73	\$ 2,052.14
RES 26	NATALIE LENSER	\$ 25,109.72	\$ 1,643.62
RES 27	DEAN LENSER	\$ 25,109.72	\$ 1,643.62
RES 28	BILLY LENSER	\$ 100,395.83	\$ 6,571.67
RES 29	BILLY K LENSER	\$ 100,395.83	\$ 6,571.67

RES 30	DEBORAH LENSER	\$ 100,395.83	\$ 6,571.67
RES 31	CATES LEROY R & BONNIE J &	\$ 215,000.00	\$ 14,073.39
RES 32	MCCAULEY GEORGE E ET AL	\$ 514,845.00	\$ 33,700.53
RES 33	LORI & MICHAEL O'SHEA	\$ 625,000.00	\$ 40,911.01
RES 34	BETKER FAMILY TRUST	\$ 9,110,000.00	\$ 596,318.94
RES 35	BETKER PARTNERS THREE LP	\$ 1,577,236.00	\$ 103,242.12
RES 36	BETKER PARTNERS ONE LP	\$ 12,389,919.00	\$ 811,014.63
RES 38	NELSON TOM S	\$ 66,667.00	\$ 4,363.86
RES 39	GREEN FRANKLIN	\$ 243,207.00	\$ 15,919.75
RES 40	BARBEE EUNICE	\$ 8,067.78	\$ 528.10
RES 42	HAGELIN RONALD LINDA PAUL	\$ 1,319,090.00	\$ 86,344.49
RES 44	JOHANSEN GERALD & JANET	\$ 78,556.70	\$ 5,142.13

Tardily filed claims of general (unsecured) creditors totaling \$ 5,864,901.29 have been allowed and will be paid *pro rata* only after all allowed administrative, priority and timely filed general (unsecured) claims have been paid in full. The tardily filed claim dividend is anticipated to be 0.0 percent.

Tardily filed general (unsecured) claims are as follows:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
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<u>13</u>	<u>JOSEPH L NEWMAN</u>	<u>\$ 2,259,423.74</u>	<u>\$ 0.00</u>
<u>18</u>	<u>ELDRIDGE FAMILY TRUST</u>	<u>\$ 2,094,520.00</u>	<u>\$ 0.00</u>
<u>24</u>	<u>JAMES E IVERSON (LAWVER)</u>	<u>\$ 589,555.00</u>	<u>\$ 0.00</u>
<u>INV13</u>	<u>THE GEORGETOWNE OF APPLETON LLC</u>	<u>\$ 93,800.00</u>	<u>\$ 0.00</u>
<u>RES54</u>	<u>THOMAS U & LENELL M CHACE</u>	<u>\$ 385,000.00</u>	<u>\$ 0.00</u>
<u>RES56</u>	<u>THOMAS U CHACE</u>	<u>\$ 385,000.00</u>	<u>\$ 0.00</u>
<u>RES57</u>	<u>CT DEPT OF REVENUE SVCS</u>	<u>\$ 2,910.94</u>	<u>\$ 0.00</u>
<u>RES63</u>	<u>DWIGHT R J LINDQUIST CH 7 TRUSTEE</u>	<u>\$ 54,691.61</u>	<u>\$ 0.00</u>

Subordinated unsecured claims for fines, penalties, forfeitures, or damages and claims ordered subordinated by the Court totaling \$ 0.00 have been allowed and will be paid *pro rata* only after all allowed administrative, priority and general (unsecured) claims have been paid in full. The dividend for subordinated unsecured claims is anticipated to be 0.0 percent.

Subordinated unsecured claims for fines, penalties, forfeitures or damages and claims ordered subordinated by the Court are as follows:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
	N/A		

The amount of surplus returned to the debtor after payment of all claims and interest is \$0.00.

Prepared By: /s/BRIAN F. LEONARD

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STATEMENT: This Uniform Form is associated with an open bankruptcy case, therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.